

**DARRINGTON SCHOOL DISTRICT No. 330**  
**Snohomish County, Washington**  
**September 1, 1992 Through August 31, 1993**

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**Schedule Of Findings**

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1. District Officials Should Improve Controls Over Cash Receipting And Associated Student Body (ASB) Fund Raising Activities

We reviewed administrative and accounting controls governing the handling of cash receipts for all district funds at the various school sites and at the district's administrative office. We also performed a review of Associated Student Body Fund activities. Our examination revealed the following control weakness:

a. All District Funds

The same person who writes receipts, also makes the deposits and performs the bank reconciliations. One person performs these functions for the district's administrative office, while one person at each school site performs similar duties. By not segregating the duties of cash receipting, depositing, and the reconciliation of the bank account, management cannot ensure that all money is receipted and deposited intact.

We recommend that district management assign a second person at each of these locations to balance receipts with deposits and review the bank reconciliations.

b. ASB Fund Cash Receipts Documentation

Mode of payment is not recorded on receipts, indicating whether cash or checks are received. Without any indication of mode of payment, management cannot be sure that all money received is being deposited with the bank intact.

We recommend that ASB staff members indicate mode of payment on each receipt, and that the Associated Student Body Treasurer reconcile receipts to the bank deposit by mode of payment.

c. ASB Fund-Raisers/Soft Drink Sales/School Store

Periodic inventory counts of merchandise on hand are not being taken, nor does the district calculate the expected revenue for each activity and reconcile that with the actual revenue received. Without a retail value of goods sold calculation, management cannot ensure that all money from sales is being deposited.

We recommend that appropriate staff members periodically count inventory on hand. These figures, along with information on goods purchased, should be used to prepare reconciliations of actual versus expected cash receipts.